TERM SHEET

VERSAPAY CORPORATION

BOUGHT DEAL PUBLIC OFFERING OF COMMON SHARES

Not for General Distribution in the United States

September 26, 2018

All amounts in C$, unless otherwise indicated

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorities in each of the provinces Canada.

A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Issuer:	VersaPay Corporation (the "Company").
Offering:	4,572,000 common shares (the "Common Shares") on a "bought deal" basis pursuant to a short-form prospectus (the "Offering").
Issue price:	$1.75 per Common Share (the "Issue Price")
Offering Size:	$8,001,000.
Over-Allotment Option:	The Company grants to the Underwriters an option for a period up to 30 days on or following the Closing Date to acquire up to an additional 15% of Common Shares sold pursuant to the Offering, to cover over-allotments, if any and for market stabilization purposes.
Use of Proceeds:	The net proceeds from the Offering will used by the Company to further its sales and marketing efforts, to continue to expand its presence in the United States, for research and development with respect to the cash application features of its products and for general corporate and working capital purposes.
Underwriting Basis:	"Bought deal" subject to conventional bought deal termination provisions to be included in a definitive underwriting agreement.
Form of Offering:	Bought deal offering by short-form prospectus in all provinces of Canada, in the U.S. by way of private placement under Rule 144a, Regulation D or another exemption so as not to require registration under the United States Securities Act of 1933, as amended and in

	such other jurisdictions and in such other jurisdictions that are mutually agreed to by the Company and Raymond James Ltd., each acting reasonably.
Listing:	TSX Venture Exchange (“TSXV”).The Company’s common shares are traded on the TSXV under the symbol “VPY”.
Eligibility:	Eligible under the usual statutes and for RRSPs, RRIFs, RESPs, DPSPs, RDSPs and TFSAs.
Lead and SoleBookrunner:	Raymond James Ltd.
Commission:	Cash commission equal to 6.0% of the gross proceeds in respect of the Offering (including 6.0% of the gross proceeds of any Common Shares issued upon exercise of the Over-allotment Option, payable upon closing of the Over-allotment Option).
Closing Date:	Closing will occur on or about October 18, 2018 or on such other date as may be agreed upon by the Company and Raymond James Ltd.